



State of Georgia Department of Revenue

2005 Individual Income Tax 500 and 500EZ Forms and General Instructions

FROM THE COMMISSIONER

This booklet is designed to provide information and assist individuals in filing their 2005 Georgia income tax return. On page 2 are "New Developments for Tax Year 2005" that I recommend you review before filling out your return. Last year more than 2 million Georgia taxpayers elected to use an electronic method to file their return. If you did not file electronically last year, I strongly encourage you to consider doing so this year. The benefits and methods of electronic filing are highlighted below.

If you require additional information or assistance, please contact one of the Department's regional offices, which are listed on page 27. Additional information is also available via the Internet at www.dor.ga.gov. You may also visit our website for a Spanish-language version of this booklet. (Visite www.dor.ga.gov para ver la versión española de este librete.)

Our mission and commitment is to serve Georgia's taxpayers in a prompt, courteous and professional manner and to effectively and fairly administer the State's tax laws. We welcome your comments and suggestions on how to better accomplish that mission.

Bart L. Graham
Commissioner

CREDIT CARD PAYMENTS

The Georgia Department of Revenue and Official Payments Corporation have partnered to allow taxpayers to pay individual income tax with credit cards. See page 26 or visit our website at www.dor.ga.gov for more information.

TWO-DIMENSIONAL BARCODE FORMS

If your software package produces a return with a two-dimensional (2D) barcode, the mailing address is different from that on the return in this publication. You can file a 2D barcode return using a tax preparer or a Department of Revenue-approved tax software package. A 2D barcode is similar to the one on the back of a Georgia driver's license.

Benefits of using a 2D barcode return:

- Receive your refund by direct deposit.
- Eliminates data entry errors.
- Processes faster than a regular paper return.

NOTE: Failure to mail your return to the correct address may cause processing delays. Please mail your return to the address indicated in the software package.

See page 26 for additional information.



ELECTRONIC FILING

GET YOUR REFUND IN 21 DAYS OR LESS

Benefits of electronic filing:

- Refunds are typically issued in 21 days or less.
- Refunds can be received by direct deposit.
- It is fast, accurate and convenient.

There are two ways to file electronically:

1. Have your return prepared by a registered electronic returns originator (ERO); or,
2. File on-line from your personal computer.

****Qualified taxpayers can file electronically for free.****

Visit www.dor.ga.gov for more information.

DONATIONS TO SPECIAL FUNDS

Use your Georgia income tax return to make donations to the following funds. See page 9 for more information.

Georgia Cancer Research Fund

Georgia Fund for Children and Elderly

Georgia Wildlife Conservation Fund

Greenspace Trust Fund

Georgia National Guard Foundation

NEW DEVELOPMENTS FOR TAX YEAR 2005

Refund Offsets to Board of Pardons and Parole and Dept. of Juvenile Justice Effective July 1, 2005, individual income tax refunds may be used to offset outstanding liabilities to the Georgia State Board of Pardons and Parole and to the Department of Juvenile Justice.

Eligible Educator Deduction of up to \$250 This deduction is allowed to eligible educators as provided and allowed by Section 62(a)(2)(D) of the Internal Revenue Code. For the 2005 tax year, if the taxpayer has taken the deduction on the federal return, the deduction is already recognized in Adjusted Gross Income for Georgia income tax purposes and no further adjustment is necessary.

Georgia National Guard Foundation For tax years beginning on or after January 1, 2005, taxpayers will be able to make contributions to the Georgia National Guard Foundation for the purpose of providing support to members of the Georgia Department of Defense.

Repeal of the gain recognition provisions regarding "like-kind" exchanges having out-of-state replacement property Retroactive for tax years beginning on or after January 1, 2004, O.C.G.A. § 48-7-27(b)(6) is repealed. Because Georgia law is now silent, all applicable federal provisions under the Internal Revenue Code will govern.

Tax Settlement and Compromise Fee Effective July 01, 2005, a \$100 nonrefundable fee must accompany each offer-in-compromise submitted to the Georgia Department of Revenue. If the offer is accepted by the Commissioner, the application fee is treated as part of the offer. The fee is waived if the applicant's total monthly income is at or below poverty level guidelines established by the U.S. Department of Health and Human Services.

Income Tax Credit for National Guard/Air National Guard members on Active Duty More than 90 Days Any Georgia resident who is a member of the National Guard or Air National Guard and who is on active duty for a period of more than 90 consecutive days is allowed a tax credit against his/her individual income tax. The credit cannot exceed the amount expended for qualified life insurance premiums nor the taxpayer's income tax liability.

Nonresidents If you are a legal resident of another state, you are not required to file a Georgia income tax return if your only activity for financial gain or profit in Georgia consists of performing services in Georgia for an employer, as an employee, where the wages for services performed does not exceed ***the lesser of*** five percent (5%) of the income received in all places during the taxable year **or \$5,000**.

Deduction for Expenses Related to Organ Donation For income tax years beginning on or after January 1, 2005, a deduction is allowed for certain expenses related to organ donation. The deduction is limited to the donor's unreimbursed expenses for travel, lodging and lost wages. The taxpayer may deduct up to \$10,000 in expenses related to the donation of all or part of their kidney, liver, pancreas, intestine, lung, or bone marrow during the tax year the organ donation is made. See O.C.G.A. § 48-7-27 for additional information.

Interest on Credits Effective April 12, 2005, no interest shall be paid on amended returns filed to claim tax credits.

Sales Tax Deduction Georgia has adopted most of the provisions of the Working Families Tax Relief Act of 2004 and the American Jobs Creation Act of 2004. Therefore, it is not necessary to adjust the Georgia return if the sales tax deduction is used on the Federal return.

REMINDERS

Preparing Your Return. Verify the address label before attaching it to your return. If you do not have a label or if it is incorrect, write your name(s), social security number(s), and address on the return. Incorrect or omitted information will delay the processing of your return. Sign your return where indicated. Mail your return and documents, including Form 525-TV if tax is due, to the appropriate address. **Do not staple or paper clip documents to your return.**

If you need help completing your return, call one of the taxpayer assistance telephone numbers listed on page 27.

Publication of Tax Executions. Effective for income tax years beginning on or after January 1, 2003, the commissioner shall have the authority to publish in the media and on the Internet for public access all information with respect to executions issued for the collection of any tax, fee, license, penalty, interest, or collection costs due the State which are recorded on the public records of any county.

Refund Offsets to Other Agencies. Georgia law allows certain government agencies to submit claims against income tax refunds to pay outstanding obligations. These agencies include the Internal Revenue Service, Department of Corrections, Department of Human Resources, Georgia Higher Education Assistance Corporation, Department of Labor, Georgia State Board of Pardons & Parole, and Department of Juvenile Justice.

Innocent Spouse. Effective May 13, 2004, individuals granted innocent spouse relief under Section 6015 of the Internal Revenue Code are eligible for relief from liability for tax, interest and penalty to the extent relief was granted by the Internal Revenue Service. See O.C.G.A. § 48-7-86(g) for additional information.

Low Emission Vehicle Credit. For income tax years beginning on or after January 1, 2003, the credit for a new low emission vehicle is the lesser of 10 percent of the vehicle cost or \$2,500. A low emission vehicle is defined as a vehicle that is fueled solely by an "alternative fuel" and meets the U.S. EPA low emission vehicle standard. See page 23 for more information.

Zero Emission Vehicle Credit. For income tax years beginning on or after January 1, 2003, the allowable credit for a zero emission vehicle is the lesser of 20 percent of the vehicle cost or \$5,000.

Extension of Time for Filing Return. There are two ways to obtain an extension to file your Georgia income tax return: 1) Attach a copy of the Federal Form 4868 to the Georgia return when filed. If you request a federal extension electronically, you must attach a copy of the IRS confirmation letter to your Georgia return; or 2) Submit Georgia Form IT-303. You must mail Form IT-303 before the return due date and attach a copy to the return when filed. We will notify you only if your extension request is denied.

REMINDERS (continued)

An extension to file does not extend the date for paying the tax. Tax must be paid by the statutory due date to avoid late payment penalty and interest. Use Form IT-560 to pay tax due. The amount paid should be entered on Form 500, Page 2, Line 20. Form IT-560 is located on page 13.

Deceased Taxpayers. If a person received income in 2005 but died before filing a return, the Georgia income tax return should be filed by the surviving spouse, executor or administrator. Use the same filing status that was used on the final Federal income tax return. The due date for filing is the same as for Federal purposes.

If you are filing the return of a deceased taxpayer, write the taxpayer's name and date of death on the Taxpayer Signature line. If you are the surviving spouse of a deceased taxpayer and you are filing a joint return, sign your name on the Taxpayer Signature line, mark the box in the signature area on Page 2 of Forms 500 and 500EZ, and write the deceased taxpayer's name and date of death on the Spouse's Signature line. Also, write "Filing as surviving spouse," in the signature area of the return if appropriate. An executor or administrator must sign in his or her official capacity.

In the case of a refund check issued in the name of a deceased taxpayer, the surviving spouse, administrator or executor must mail the check along with a copy of the death certificate and Georgia Form 5347 to Georgia Department of Revenue, 1800 Century Blvd NE, Suite 3211, Atlanta, GA 30345-3205.

Due Dates. Calendar year taxpayers for 2005 are required to file on or before April 17, 2006 (April 15, 2006 is a Saturday). Fiscal year taxpayers must file on or before the 15th day of the fourth month after the close of their taxable year.

Supporting Documentation. If the amount on Form 500, Line 8 is \$40,000 or more, or less than the total income on your W-2, you must enclose a copy of Pages 1 and 2 of your Federal return. Regardless of income, if you itemize deductions on Form 1040, you must enclose a copy of Form 1040 and Schedule A with your Georgia return. Do not submit other Federal schedules. We will request additional information to support the amounts listed on your Georgia income tax return and related schedules if necessary.

Individual Retirement Accounts. The provisions concerning taxability and conversion from a traditional IRA to a Roth IRA are the same for Georgia as they are for the Internal Revenue Service.

Amended Returns. File Form 500X to correct information reported on Form 500. Do not use Form 500 to correct a previously filed return or use Form 500X as an original return.

You can obtain Form 500X by calling (404) 417-6011 or downloading it from our website at www.dor.ga.gov.

Address Changes. We do not have a change of address form. Call the Registration and Licensing Unit at (404) 417-4490 to submit an address change. Also write the new address on your tax return and check the address change box.

Refund Inquiries. Before making a refund inquiry, please allow:

- 6 to 8 weeks for returns filed prior to April 1st.
- 12 weeks for returns filed after April 1st.

See page 27 for refund inquiry telephone numbers.

TAX TIPS

1. If you or your spouse are at least 62 years of age or totally and permanently disabled to such an extent that you are unable to perform any type of gainful employment, see the instructions for Line 9 on page 7 for the retirement income exclusion deduction and page 12 for the worksheet.
2. Write your social security number and the tax year on all payments and correspondence.
3. You are not required to submit 1099 form(s) with your Georgia income tax return unless Georgia income tax was withheld.
4. Nonresidents who receive income from Georgia sources may prorate Georgia income to exclude temporary assignments to duty stations outside Georgia. The formula to prorate Georgia income must take into consideration the following guidelines:
 - a. Georgia income must be calculated to reflect the total number of actual working days inside Georgia compared to the total number of actual working days employed both inside and outside Georgia.
 - b. All time excluded must be actual time worked outside Georgia.
 - c. Taxpayers may be required to provide documentation from employers verifying all time worked outside Georgia on temporary assignments.
5. For faster and more accurate posting to your account, use a payment voucher with a valid scanline from Georgia Department of Revenue's website at www.dor.ga.gov/forms.shtml or one produced by an approved software company listed at www.dor.ga.gov/processingctr/taxpayers.shtml.

A valid scanline has a row of numbers at the bottom that contains your taxpayer information.

FILING REQUIREMENTS

You are required to file a Georgia income tax return if:

<u>Your Filing Status Is</u>	<u>And Your Income Exceeds</u>
A. Single, Head of Household or Qualifying Widow(er)	
1. Under 65, not blind	\$ 5,000
2. Under 65, and blind	6,300
3. 65 or over, not blind	6,300
4. 65 or over, and blind	7,600
B. Married filing Joint	
1. Both under 65, not blind	\$ 8,400
2. One 65 or over, not blind	9,700
3. Under 65, both blind	11,000
4. Both 65 or over, not blind	11,000
5. One 65 or over, and blind	11,000
6. One 65 or over, and both blind	12,300
7. Both 65 or over, and blind	13,600
C. Married filing Separate	
1. Under 65, not blind	\$ 4,200
2. Under 65, and blind	5,500
3. 65 or over, not blind	5,500
4. 65 or over, and blind	6,800

FILING REQUIREMENTS (continued)

RESIDENTS You are required to file a Georgia income tax return if any of the following apply: (a) You are required to file a Federal income tax return; (b) You have income subject to Georgia income tax but not subject to Federal income tax; (c) Your income exceeds the standard deduction and personal exemption(s). These requirements apply as long as your legal residence is in Georgia even if you are temporarily absent from the State or live outside the State temporarily. A full-year resident of Georgia is taxed on all income regardless of the source and regardless of where derived. A Georgia resident is allowed a credit for taxes paid to a nonresident state. See worksheet for other state(s) tax credit on page 11.

PART-YEAR RESIDENTS If you are a legal resident of Georgia for only a portion of the tax year and are required to file a Federal income tax return, you are required to file a Georgia income tax return. You must complete Form 500, Page 4, Schedule 3 to determine your Georgia taxable income. See page 10 for additional information.

NONRESIDENTS If you are a nonresident who works in Georgia or receives income from Georgia sources and are required to file a Federal income tax return, you are required to file a Georgia income tax return. You must complete Form 500, Page 4, Schedule 3 to determine your Georgia taxable income. If you are a legal resident of another state, you are not required to file a Georgia income tax return if your only activity for financial gain or profit in Georgia consists of performing services in Georgia for an employer, as an employee, where the wages for services performed does not exceed **the lesser of** five percent (5%) of the income received in all places during the taxable year **or \$5,000**. See page 10 for additional information.

NOTE: On Schedule 3, Line 9, the percentage is zero if Georgia AGI is zero or negative. If the adjusted Federal AGI is zero or negative, the Line 9 percentage is considered to be 100%. The percentage is also 100% if both adjusted Federal and Georgia AGI are zero or negative. In this case, the taxpayer is entitled to the full exemption amount and deductions.

PARTNERSHIPS Resident and nonresident partners must pay Georgia income tax on their portion of the partnership's net Georgia income. See Form 700 instructions for exceptions.

INCOME FROM S CORPORATIONS Georgia recognizes an election granted by the Internal Revenue Service for S Corporations when the election is based on the Internal Revenue Code of 1986. All nonresident shareholders must pay Georgia income tax on their portion of Georgia corporate income or the election will be terminated by the Commissioner. Resident shareholders shall report their total S Corporation income. All distributions received by a shareholder from earnings and profits accumulated prior to a corporation acquiring Georgia S Corporation status must be reported as dividends.

OTHER STATE'S TAX RETURN If you claim a credit for taxes paid to another state(s), you must include a copy of your return filed with that state along with your Georgia return. No credit for taxes paid to another state will be allowed unless the other state's return is enclosed.

FOREIGN STUDENTS AND OTHER TAXPAYERS REQUIRED TO FILE FORM 1040NR Taxpayers such as foreign students who are required to file a Federal Form 1040NR must also file a Georgia Form 500. Similar to Federal income tax rules, Georgia taxpayers are only allowed to deduct the applicable Georgia personal exemption and business-related expenses reflected on the Federal Form 1040NR. Taxpayers are not allowed to take the standard deduction and they are not allowed to itemize personal nonbusiness deductions.

MILITARY PERSONNEL

RESIDENTS Military personnel whose home of record is Georgia or who are otherwise residents of Georgia are subject to Georgia income tax on all income regardless of the source or where earned, unless specifically exempt by Georgia law. The time for filing tax returns and payment of tax by members of the armed services of the United States returning from service outside the continental United States is extended without application to any time within a period of six months immediately following their return to the continental United States. No penalties or interest will accrue during this period. See below for information concerning combat zone pay.

Georgia residents who are members of the National Guard or Air National Guard and who are on active duty for a period of more than 90 consecutive days are allowed a tax credit against their individual income tax. The credit cannot exceed the amount expended for qualified life insurance premiums nor the taxpayer's income tax liability.

See Form IND-CR for information about how to claim this credit.

NONRESIDENTS Nonresident military personnel whose home of record is not Georgia and who are not otherwise a resident of Georgia are not required to file a Georgia income tax return unless they have earned income from Georgia sources other than military pay. If they have earned Georgia income from other sources, they are required to file Georgia Form 500, completing Page 4, Schedule 3. Married nonresidents with income earned in Georgia whose spouse is a nonresident with no Georgia source income may file either a separate return claiming themselves only, or a joint return claiming total personal exemption and credit for dependents, prorated per Schedule 3. Schedule 3 must be completed for computation of Georgia taxable income. (See instructions for part-year and nonresidents on page 10.)

NOTE: If one spouse is a Georgia resident and one is a nonresident or part-year resident, enter 3 in the residency code box on Form 500, Page 1, Line 4, and complete Page 4, Schedule 3.

COMBAT ZONE PAY Beginning in tax year 2003, military income earned by a member of the national guard or any reserve component of the armed services while stationed in a combat zone is not subject to Georgia income tax. The exclusion from income is only with respect to military income earned in the combat zone during the period covered by the soldier's military orders. A copy of your federal return must be attached to your Georgia return to qualify for this exclusion. Amounts excluded on your Federal return cannot be excluded on your Georgia return.

GENERAL INFORMATION FOR FORM 500

FEDERAL AUDIT

Whenever a Federal audit or other Federal adjustment results in a change in net income for any year, you are required to furnish under separate cover, within 180 days, a schedule reflecting all changes to the Taxpayer Services Division, Department of Revenue, P.O. Box 740380, Atlanta, Georgia 30374-0380. **If you do not submit a return reflecting all changes and the Commissioner receives this information in a report from the United States Government, the Commissioner will issue an assessment for tax due within five years from the date the report is received from the United States Government.** A taxpayer who fails to notify the Commissioner within 180 days forfeits any Georgia refund as a result of an audit if the normal statute of limitations has expired. However, for tax years beginning on or after January 1, 1987, 90 percent of any overpayment can be applied to a balance due for another year that is a result of the same IRS audit.

WITHHOLDING ON NONRESIDENT DISTRIBUTIONS

Withholding is required on any distributions paid or credited by Partnerships, Limited Liability Companies and S Corporations. Withholding is reported on Form G-2-A and should be entered on Form 500, Page 2, Line 19. Include a copy of Form G-2-A with your return. To receive a withholding application form, call (404) 417-4490 or 1-877-602-8477.

NONRESIDENT COMPOSITE RETURN FILING

As an alternative to withholding, an entity may file a composite return for its nonresident members. This form is available upon request. (See page 25 for ordering information.)

WITHHOLDING ON THE SALE OF REAL PROPERTY

Withholding is required on the sale of Georgia real property by a nonresident. Tax withheld is reported on Form G-2RP and should be entered on Form 500, Page 2, Line 19. Include a copy of Form G-2RP with your return.

CLAIMS FOR REFUND

For income tax years 2002 and before. A claim for a refund of tax must be filed within three (3) years from the date the tax was paid. Taxes which have been paid by either withholding or estimated tax are treated as having been paid on the regular due date of the return. For example, the 2002 tax return is due April 15, 2003; therefore, a claim for refund of any payments made on or before April 15, 2003 must be filed on or before April 17, 2006. An extension of time to file the 2002 return does not change the April 17, 2006 deadline for filing a claim for refund.

For income tax years 2003 and after. A claim for a refund of tax must be made within three (3) years from the later of:

1. The date the tax was paid. (Taxes which have been paid by either withholding or estimated tax are treated as having been paid on the regular due date of the return);

OR

2. The due date of the income tax return, including any extensions which have been granted. For example, an extension for the 2003 tax year has been granted until August 16, 2004; therefore, a claim for refund of any payments made on or before August 16, 2004 must be filed on or before August 16, 2007.

COMMON MISTAKES THAT WILL DELAY YOUR REFUND

1. **Sending your return by certified mail.**
2. Filing a previous year's form for the current year.
3. Not entering your spouse's name and/or social security number if you are filing a joint return.
4. Not completing the name, social security number, address, residency code, and filing status. Be sure to enter only one residency code and filing status.
5. Line 6c: Listing exemptions other than yourself and your spouse.
6. Line 7a: Omitting or listing an incorrect number of dependents.
7. Line 8: Entering Federal taxable income instead of Federal adjusted gross income.
8. Lines 11 and 12: Entering an amount for both standard and itemized deductions.
9. Line 15: Not entering an amount. Part-year residents and nonresidents should also enter an amount.
10. Line 19: Entering social security tax withheld, other state tax withheld, Federal income tax withheld, or estimates instead of Georgia tax withheld.
11. Failure to complete Schedule 2 when claiming credits.
12. Line 20: Entering tax withheld instead of estimated tax.
13. Lines 24 and 25: Not entering either the balance due (Line 24) or the overpayment amount (Line 25).
Do not enter amounts on both lines.
14. Lines 27, 28, and 29: Entering information on these lines when a contribution is not being made.
15. Lines 32 and 33: Not entering either the balance due (Line 32) or the refund (Line 33).
Do not enter amounts on both lines.
16. Not verifying your calculations including the tax rate.
17. Placing zeros on lines that are not being used.
18. Stapling or paper clipping documents to your return; not enclosing all required documents, including W-2's.
19. Not enclosing copies of other states' tax returns if you claim another state tax credit. Not enclosing Forms 1040, 1040A, or Schedule A, if applicable.
20. Mailing your Georgia return to the IRS.
21. Including a check with a refund return.
22. **Mailing your return in the incorrect envelope and/or to an incorrect address.**

GEORGIA HIGHER EDUCATION SAVINGS PLAN (GEORGIA'S SECTION 529 PLAN)

The Department of Revenue does not administer this plan. It is administered by the Georgia Higher Education Savings Plan. For more information, visit www.gacollegesavings.com or call 877-424-4377. The following highlights the plan's Georgia income tax provisions.

The purpose of the plan is to provide a tax-advantaged method of saving for post-secondary education. For Georgia income tax purposes, a deduction of up to **\$2,000 per beneficiary** is allowed for contributions made to the plan. In addition, Georgia income tax law provides an exclusion from Georgia taxable income for earnings when they are withdrawn for qualified education expenses. The major provisions are:

1. Contributions can be made until the total balance for all accounts for a beneficiary reaches \$235,000.
2. For taxable years beginning on or after January 1, 2002, up to \$2,000 per beneficiary can be deducted on a Georgia income tax return by parents or legal guardians of a designated beneficiary, provided the following are true:
 - The beneficiary is claimed as a dependent on the Georgia income tax return of the parents or legal guardians;
 - The parents or legal guardians **itemize deductions on their Federal and Georgia income tax returns.** Taxpayers who take the standard deduction on their returns are not eligible for the \$2,000 deduction related to the Georgia Higher Education Savings Plan; and
 - The parents or legal guardians own the account.
3. The deduction **decreases \$400 per beneficiary** for each \$1,000 of Federal Adjusted Gross Income over:
 - \$100,000 for a married filing joint return; or
 - \$50,000 for a single, head of household, qualifying widow(er), or married filing separate return.
4. Contributions made on or before April 17, 2006 may be treated as being made for the 2005 income tax year.
5. List the deduction on **Line 10, Schedule 1, Page 3** of Georgia Form 500. Write "Georgia 529 Plan Deduction" on Line 10.
6. The earnings portion of withdrawals used exclusively for qualified higher education expenses and withdrawals that are not subject to Federal income tax (see the one year exception below) are not subject to Georgia income tax. Georgia follows Federal guidelines under IRC § 529 to determine what are considered qualified higher education expenses.
7. Withdrawals that are not for qualified education expenses or that are subject to Federal income tax are subject to Georgia income tax. This includes amounts withdrawn from the Georgia Higher Education Savings Plan within one year from establishment of the plan.

No deduction will be allowed on a Georgia income tax return for contributions made to a plan other than Georgia's. For additional information, see Georgia Regulation 560-7-4-.04 at www.sos.state.ga.us/rules_regs.htm.

FEDERAL TAX CHANGES

Job Creation and Worker Assistance Act of 2002, Jobs and Growth Tax Relief Reconciliation Act of 2003, Working Families Tax Relief Act of 2004, and American Jobs Creation Act of 2004.

Georgia has adopted the provisions of these acts (as they relate to the computation of Federal adjusted gross income) for taxable years beginning on or after January 1, 2005, except for I.R.C. Section 168(k) (30% and 50% bonus depreciation), Section 1400L (tax benefits for the New York Liberty Zone), and Section 199 (deduction for income attributable to domestic production activities), which are treated as if they are not in effect. For tax years beginning on or after January 1, 2005, Georgia has now adopted the increased I.R.C. Section 179 deduction (\$105,000 in 2005) and the related phase out (\$420,000 in 2005) that was enacted as part of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Federal deduction for income attributable to domestic production activities (I.R.C. Section 199). This should be entered on Page 3, Schedule 1, Line 3.

Depreciation Differences. Depreciation differences due to the Federal acts mentioned above should be handled as follows. If the taxpayer has depreciation differences from more than one Federal act, it is not necessary to make a separate adjustment for each act.

A. Depreciation must be computed one way for Federal purposes and another way for Georgia purposes. To compute depreciation for Federal purposes, taxpayers should use the 2005 IRS Form 4562 and attach it to the Georgia return. This amount should be entered on Page 3, Schedule 1, Line 4 along with the words "2002 JCWA/2003 JGTRRA Depreciation Adjustment."

B. Depreciation must also be computed for Georgia purposes. Taxpayers should use Georgia Form 4562 to compute depreciation for Georgia purposes and attach it to the Georgia return. This amount should be entered on Page 3, Schedule 1, Line 10 along with the words "2002 JCWA/2003 JGTRRA Depreciation Adjustment." Georgia Form 4562 and related instructions can be obtained from our website at www.gatax.org or from any Revenue Office.

Depreciation and other differences may also be reported to you by a partnership, S Corporation, limited liability company, or limited liability partnership that you own. Positive adjustments from these should be entered on Form 500, Page 3, Schedule 1, Line 4. Negative adjustments should be entered on Form 500, Page 3, Schedule 1, Line 10.

Additionally, the provisions listed above may have an indirect affect on the calculation of Georgia taxable income.

1. When property is sold, for which different depreciation was claimed, there will be a difference in the gain on the sale of the property.
2. The depreciation adjustment may be different if the taxpayer is subject to passive loss rules and is not able to claim the additional depreciation on the Federal return.
3. Other Federal items that are computed based on Adjusted Gross Income will have to be recomputed if provisions of the Federal acts are claimed. Some examples are itemized deductions, student loan interest deduction, self-employed health insurance deduction, etc.

Positive adjustments for these items should be entered on Form 500, Page 3, Schedule 1, Line 4. Negative adjustments should be entered on Form 500, Page 3, Schedule 1, Line 10.

FORM 500 INSTRUCTIONS

Your federal return contains information necessary for completing your Georgia return. Therefore, you must complete your federal return before you begin your Georgia tax return.

Taxpayers who file electronically will not receive a booklet next year. If you do not want a booklet next year, FILL IN THE CIRCLE in the upper-left corner. Computer software will fill in this circle by default. If you are using a software program, you must click the circle if you want to receive a booklet next year.

LINES 1 - 3 If the mailing label on the back of this booklet is correct, attach it to this area of the form and write your social security number(s) in the space provided. If the label is incorrect or you do not have a label, print or type your name(s), address (including apartment number) and social security number(s) in the space provided. **Do not write both a street address and post office box in the address field.**

LINE 4 If you lived in Georgia the entire year, regardless of temporary living arrangements, enter 1 in the residency code box. If you lived in Georgia part of the year, enter 2 in the residency code box and list the dates you lived in Georgia. If you did not live in Georgia or one spouse lived in Georgia but the other did not, enter 3 in the residency code box.

LINE 5 Enter the letter for your status in the filing status box. You must use the same filing status you used on your Federal return (see note below for the exception). If you filed as unmarried head of household or qualifying widow(er) on your Federal return, write D in the filing status box.

NOTE: If one spouse is a Georgia resident but the other is a nonresident without any Georgia source income and the federal return was filed jointly, the filing status on the Georgia return may be married filing jointly or married filing separately, with each spouse claiming the appropriate personal allowances and deductions.

LINE 6a-c Check box 6a for yourself and 6b if you are claiming your spouse. Enter the number of boxes checked in box 6c.

LINES 7a & b List your dependents in the space provided. Write the total number of dependents on Line 7a. **Do not include yourself or your spouse.** Add Line 6c and Line 7a. Write the total on Line 7b.

LINE 8 Enter the Federal adjusted gross income from Form 1040, 1040A or 1040EZ. **Do not use Federal taxable income.** If the amount is negative, fill in the circle to the left of the line number.

LINE 9 Enter the total adjustments from Schedule 1. If you have income that is taxable by the Federal government but not taxable to Georgia or vice versa, you must adjust your Federal adjusted gross income to determine your Georgia adjusted gross income. You must document your adjustments on Page 3, Schedule 1, of Form 500. If the amount is negative, fill in the circle to the left of the line number. All wages of Georgia residents are taxable for Georgia purposes. Credit for taxes paid to other states may apply. See Line 17 instructions on page 8.

ADJUSTMENTS THAT ARE ADDED:

1. Interest received from non-Georgia municipal bonds and dividends received from mutual funds that derived income from non-Georgia municipal bonds.
2. Loss carryovers from years when you were not subject to Georgia income tax.

3. Lump sum distributions from employee benefit plans reported on IRS Form 4972.

4. Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.

5. Adjustments due to federal tax changes, including the 30 percent and/or 50 percent bonus depreciation in the first year for certain types of property. See page 6 for more information.

6. Federal deduction for income attributable to domestic production activities under I.R.C. Section 199.

ADJUSTMENTS THAT ARE SUBTRACTED:

1. Georgia taxes all pensions of all residents. However, Georgia law provides a retirement income exclusion of up to \$15,000 per taxpayer if the taxpayer is:

(A) 62 years of age or older, or

(B) permanently disabled to such an extent that the taxpayer is unable to perform any type of gainful employment

Under either condition, taxpayers must qualify on a separate basis. One spouse may not use income attributable to the other spouse to calculate his/her retirement income exclusion. The \$15,000 exclusion must be documented on Page 3, Schedule 1, of Form 500. If property is jointly owned, income is allocated to each taxpayer at 50 percent of the total. Up to \$4,000 of the \$15,000 maximum exclusion per taxpayer may be earned income. Part-year or nonresidents must prorate the exclusion. **NOTE:** You must enter the date of birth and/or the type and date of disability on Page 3, Schedule 1, of Form 500 or the exclusion will not be allowed. Use the worksheet on page 12 to compute the exclusion.

2. Interest and dividends on U.S. Government bonds and other U.S. obligations. These must be reduced by direct and indirect interest expenses which are attributable to the income.

NOTE: Interest received from the Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), and interest derived from repurchase agreements are not considered to be obligations of the United States and are taxable.

3. Social Security or Railroad Retirement paid by the Railroad Retirement Board included in Federal adjusted gross income.

4. Salaries and wages reduced from Federal taxable income because of the Federal jobs tax credit.

5. Individual Retirement Account withdrawals where tax has been paid to Georgia because of the difference between Georgia and Federal law for tax years 1981 through 1986.

6. Keogh, SEP and SUB-S plan withdrawals where tax has been paid to Georgia because of the difference between Georgia and Federal law for tax years 1981 through 1986.

7. Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.

FORM 500 INSTRUCTIONS (continued)

8. Georgia resident shareholders of Subchapter S corporations may make an adjustment to Federal adjusted gross income for Subchapter S income where the Subchapter S election is not recognized by Georgia or another state in order to avoid double taxation on this type of income. This adjustment is allowed only if tax was actually paid by the corporation to another state(s). In cases where the Subchapter S election is recognized by another state(s), the income should not be subtracted. Credit for taxes paid to other state(s) may apply. Refer to Line 17 instructions on this page.

9. Dependents' unearned income included in parents' Federal adjusted gross income.

10. Income tax refunds from states other than Georgia included in Federal adjusted gross income. Do not subtract Georgia income tax refunds included in Federal adjusted gross income.

11. Income from any fund, program or system which is exempted by Federal law or treaty.

12. Teacher's Retirement. This adjustment is to allow a teacher retired from the Teachers Retirement System of Georgia to subtract contributions previously taxed by Georgia. These are contributions paid between July 1, 1987, and December 31, 1989, if the contributions were reported and taxes paid thereon.

13. Employer FICA tax credit claimed on the Federal return. This applies only to food and beverage establishments that took a credit instead of a deduction on their Federal return for employer FICA tax paid on employee cash tips.

14. An individual, corporation or partnership which is a party to state contracts may subtract from Federal adjusted gross income 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year. A list of certified minority subcontractors is maintained by the Commissioner of the Department of Administrative Services. To register as a minority subcontractor or to view the list, call 404-656-6315 or visit <http://ssl.doas.state.ga.us/VendorDB/mainframe.jsp>.

15. Deductible portion of contributions to the Georgia Higher Education Savings Plan (see page 6).

16. Adjustments due to Federal tax changes, including the 30 percent and/or 50 percent bonus depreciation in the first year for certain types of property. See page 6 for more information.

17. Combat zone pay exclusion (see page 4).

18. Up to \$10,000 of unreimbursed travel expenses, lodging expenses, and lost wages incurred as a direct result of a taxpayer's donation of all or part of their kidney, liver, pancreas, intestine, lung, or bone marrow in the taxable year in which the donation is made.

LINE 10 Georgia adjusted gross income (Net total of Line 8 and Line 9). If the amount is negative, fill in the circle to the left of the line number.

LINE 11a-c If you use the standard deduction on your Federal return, you must use the standard deduction on your Georgia return. Standard deductions for each marital status are listed in the adjacent column. Enter your total standard deduction on Line 11c.

Do not use the standard deduction amount that is claimed on your Federal return.

Single/Head of Household \$2,300

Married Filing Joint \$3,000

Married Filing Separate \$1,500

Additional: Line 11b \$1,300

(The additional deduction applies if you and/or your spouse are age 65 or older, or blind, but only if the standard deduction is used.)

NOTE: Do not write on Line 12 if you use the standard deduction.

LINE 12 Enter itemized deductions from Federal Schedule A less adjustments for income taxes other than Georgia and investment interest expense which is for the production of income exempt from Georgia income tax. Enclose a copy of Federal Schedule A with your Georgia income tax return. When Federal itemized deductions are reduced because of high income, the reduced amount is used as the starting point to compute Georgia itemized deductions.

NOTE: If you itemize deductions on your Federal return, you must itemize deductions on your Georgia return. If your filing status is married filing separate and your spouse itemizes, you must also itemize. Do not write on Lines 11a through 11c if you itemize deductions.

LINE 13 Subtract either Line 11c or Line 12 from Line 10. If the amount is negative, fill in the circle to the left of the line number.

LINE 14a-c Multiply the number on Line 6c by \$2,700 and enter the total on Line 14a. Multiply the number on Line 7a by \$3,000 and enter the total on Line 14b. Add the amounts on Lines 14a and 14b, and enter the total on Line 14c.

LINE 15 Subtract Line 14c from Line 13. If the amount is negative, fill in the circle to the left of the line number. This is your GEORGIA TAXABLE INCOME.

LINE 16 Use your Georgia taxable income and the tax tables on pages 17, 18 and 19 to determine your tax liability. *Be sure to enter the tax amount for your filing status.*

LINE 17 Enter the amount on Line 11, Schedule 2, Page 3 of Form 500. Full-year and part-year residents must use the worksheet on page 11 to compute the other states tax credit. If you paid tax to more than one state, use the total of other states' income to compute the credit. No credit is allowed for income earned in another state that was not taxed by that state. Your credit may be less than the tax paid to the other state(s). See page 23 and Form IND-CR for more information about credits.

NOTE: No credit for taxes paid to other state(s) will be allowed unless a copy of the other state(s)' income tax return is included with your Georgia return when filed.

LINE 18 Subtract Line 17 from Line 16. If zero or less, enter zero.

LINE 19 Enter the total Georgia tax from withholding statements. *These statements must be enclosed with your return or your withholding tax will be disallowed.*

FORM 500 INSTRUCTIONS (continued)

LINE 20 Enter your total estimated payments. *Be sure to include the amount credited from your previous year's tax return and any prepayments made with Form IT-560.*

LINE 21 You may be eligible for a low income credit if your Federal adjusted gross income is less than \$20,000. Use the worksheet on page 11 to compute the credit.

LINE 22 DO NOT WRITE ON THIS LINE. *This line is for Department use only.*

LINE 23 Enter the total of Lines 19, 20 and 21c.

LINE 24 If the tax on Line 18 is more than the credit on Line 23, subtract Line 23 from Line 18. Enter the BALANCE DUE.

LINE 25 If the credit on Line 23 is more than the tax on Line 18, subtract Line 18 from Line 23. Enter the OVERPAYMENT.

LINE 26 Enter the amount you want credited to 2006 individual estimated income tax.

LINES 27, 28, 29, 30 and 31 Enter the amount of your donation. *Donations of less than \$1 cannot be processed.*

LINE 32 Enter the estimated penalty from Form 500 UET.

LINE 33 Add Lines 24, 27, 28, 29, 30, 31 and 32, and enter the total balance due. Mail Form 525-TV with your check or money order to the address on Form 500 or 500EZ. You may use the Form 525-TV on page 25 of this booklet or download it from our website at www.dor.ga.gov. The web form contains a scanline, which helps ensure fast and accurate processing of your payment.

INSTALLMENT PAYMENTS If you are unable to pay the full amount of tax due as shown on your return, you may request monthly installment payments. To apply for an installment payment agreement, submit Form GA-9465 (see page 16) along with your completed individual income tax return. You may also submit a written request for an installment payment agreement to the **Installment Program Section, P.O. Box 740396, Atlanta, GA 30374-0396** or call **(404) 417-6486** for information.

Interest and late payment penalties will apply to any amount not paid by the due date of the return, even if your request to make installment payments is approved. To minimize interest and penalty charges, you are encouraged to pay as much of the tax as possible by April 17, 2006. (April 15, 2006 is on a Saturday.) Be sure to write the tax year and your social security number(s) on your check or money order.

LINE 34 Subtract Lines 26, 27, 28, 29, 30 and 31 from Line 25 and enter the amount to be REFUNDED TO YOU.

SIGN HERE You, and your spouse if filing a joint return, are required to sign your return in the space provided at the bottom of Page 2. See page 3 for signature requirements concerning deceased taxpayers. Tax preparers who completed your return are required to sign in the space provided and print their identification number beside their signature. You may give your preparer the authority to discuss your return with the Department by checking the box near the signature area.

DONATIONS TO SPECIAL FUNDS

Do not mail checks for donations with your return.



Georgia Cancer Research Fund (Breast Cancer, Prostate Cancer, and Ovarian Cancer). Each year cancer claims the lives of almost 14,000 Georgians. Most of these deaths are preventable. Your tax-deductible donation helps fund the most innovative and promising research in Georgia on breast, prostate, and ovarian cancer. Make a donation on your tax return, or mail your donation to the Georgia Department of Human Resources, Two Peachtree Street NW, Room 27-240, Atlanta, GA 30303-3142. **Mobilizing Georgia. Immobilizing Cancer.** For more information, visit www.georgiacancer.org.

Georgia Fund for Children and Elderly helps finance vital services for many Georgia citizens. Your tax-deductible donation supports programs for preschool children with special needs, as well as elderly services such as home-delivered meals and transportation to medical appointments. Make a donation on your tax return, or mail your donation to the Georgia Department of Human Resources, Two Peachtree Street NW, Room 27-295, Atlanta, GA 30303-3142. For more information, call the Children Trust Fund at 404-206-6037 or the Division of Aging Services at 404-657-5253.



Wildlife Conservation Fund. The Nongame Wildlife and Natural Heritage Section is committed to protect and preserve Georgia's nongame wildlife, including bald eagles, sea turtles, and other animals that are not hunted, trapped or fished. Your tax-deductible donations help support that effort. Make a donation on your tax return, or mail your donation to the Georgia Department of Natural Resources, 116 Rum Creek Drive, Forsyth, GA 31029. For more information, visit www.georgiawildlife.com.

Greenspace Trust Fund provides funds for land conservation to protect our natural resources and increase the State's economic competitiveness. Your tax deductible donations help support this effort. Make a donation on your tax return, or mail your donation to the Georgia Department of Natural Resources, Real Estate Office, 2 Martin Luther King, Jr. Drive SW, Suite 1454 East, Atlanta, Georgia 30334. For more information, visit www.gadnr.org.

Georgia National Guard Foundation Inc. is a chartered, charitable organization incorporated to provide humanitarian and emergency financial support to members of the Georgia National Guard and their families. The Foundation is an official support organization of the Georgia National Guard. Make a donation on your tax return, or mail your donation to the Georgia National Guard Foundation, 935 East Confederate Ave, S.E., Bldg 21, Atlanta, GA 30316-0965. For more information, contact the Foundation at 678-569-6420 or visit www.gahro.com/ga_guard_foundation.htm.

INSTRUCTIONS FOR PART-YEAR RESIDENTS AND NONRESIDENTS

Part-year residents and nonresidents file the same form as full-year residents, FORM 500. Complete Schedule 3, Page 4 of Form 500 to determine your Georgia taxable income. A married part-year resident or nonresident with income earned in Georgia whose spouse is a nonresident with no Georgia source income may file either a separate return claiming himself or herself only, or a joint return claiming total personal exemptions and credit for dependents. Enter the nonresident code on Form 500, Page 1, Line 4.

Column A is your Federal income after Georgia adjustments.

Column B is your income and adjustments prior to or after Georgia residency, or your home state income as a nonresident. *List the state in which the income was earned or to which it was reported in the indicated area.*

Column C is your Georgia income and adjustments used to calculate your Georgia taxable income.

SCHEDULE 3 INSTRUCTIONS

LINES 1-5: In Column A, list your Federal income. In Column B, list your income not taxable to Georgia. In Column C, list your income taxable to Georgia.

LINES 6-7: In Column A, Line 6, list adjustments from Federal Form 1040. On Line 7, list the adjustments allowed by Georgia law. In Column B, Lines 6 and 7, list the adjustments that do not apply to Georgia residency or do not apply because of taxable income earned as a nonresident. In Column C, Line 6, list the adjustments from the federal return that apply to Georgia. On Line 7, list the adjustments allowed by Georgia law. *Refer to the Line 9 instructions on pages 7 and 8 for information about adjustments.*

LINE 8: Add or subtract Lines 6 and 7 from Line 5.

LINE 9: Divide Line 8, Column C, by Line 8, Column A. This is the ratio of Georgia income to total income. See page 4 for more information.

LINE 10: If itemizing, enter the amount from Schedule A, Federal Form 1040, reduced by income taxes paid to states other than Georgia or expense for the production of non-Georgia income. Enclose a copy of Federal Schedule A with your Georgia income tax return. If using the standard deduction, enter the amount for your filing status as indicated in the instructions for Lines 11a-c on page 8.

LINES 11a-c: Multiply Form 500, Line 6c by \$2,700 and enter the total on Line 11a. Multiply Form 500, Line 7a by \$3,000 and enter the total on Line 11b. Enter the total of Lines 11a plus 11b on Line 11c.

LINE 12: Add Lines 10 and 11c.

LINE 13: Multiply Line 12 by the percentage on Line 9.

LINE 14: Subtract Line 13 from Line 8, Column C. Enter here and on Form 500, Page 2, Line 15. This is your Georgia taxable income. Use the Georgia Income Tax Table on pages 17, 18 and 19 to determine your tax and enter on Form 500, Page 2, Line 16.

List the states in which the income in Column B was earned and/or reported in the space provided on Form 500, Page 4.

NOTE: PLEASE SUBMIT APPLICABLE FEDERAL FORMS AND/OR SCHEDULES WITH YOUR GEORGIA INCOME TAX RETURN.

Follow the instructions on pages 8 - 9 to complete Lines 16 through 33 of Form 500, Page 2.

EXAMPLE FOR COMPLETING SCHEDULE 3 OF FORM 500, PAGE 4

Two taxpayers, a husband and wife, are both part-year residents of Georgia who filed a joint Federal Income Tax Return. Their Federal adjusted gross income was \$52,000 consisting of \$48,000 in salary and \$4,000 of interest. They became Georgia residents on April 1. Assuming 76.14% of their income was earned in Georgia and the remainder in another state, their Schedule 3 would be computed as follows:

SCHEDULE 3 COMPUTATION OF GEORGIA TAXABLE INCOME FOR PART-YEAR RESIDENTS AND NONRESIDENTS DO NOT USE LINES 9 THROUGH 14c - PAGES 1 AND 2 FORM 500

	Federal Income after Georgia adjustments COLUMN A	Income Not Taxable to Georgia COLUMN B	Georgia Income COLUMN C
1. Wages, Salaries, Tips, etc.	48,000	11,453	36,547
2. Interest and Dividends	4,000	954	3,046
3. Business Income or (Loss)			
4. Other Income or (Loss)			
5. Total Income: Total Lines 1 through 4	52,000	12,407	39,593
Adjustments to Income:			
6. Total adjustments from Federal Form 1040			
7. Total adjustments from Form 500, Schedule 1, Page 3 (see instructions for Line 9, pages 7-8) ..			
8. Adjusted Gross Income (Line 5 plus or minus Lines 6 and 7)	52,000	12,407	39,593
9. RATIO: Divide Line 8, Column C by Line 8, Column A - enter percentage		76.14%	Not to exceed 100%
10. Itemized or Standard Deduction (See instructions for Line 10 on page 10)		3,000	
11. Personal exemption (see instructions on page 10) 11a. Number on Form 500, Line 6c <u>2</u> x \$2,700	5,400		
11b. Number on Form 500, Line 7a <u>2</u> x \$3,000			
11c. Add Lines 11a and 11b. Enter total		5,400	
12. Total Deductions and Exemptions: Add Lines 10 and 11c		8,400	
13. Multiply Line 12 by Ratio on Line 9 and enter result			6,396
14. Georgia Taxable Income: Subtract Line 13 from Line 8, Column C Enter here and on Line 15, Page 2 of Form 500			33,197

WORKSHEET FOR OTHER STATE(S) TAX CREDIT

Use these worksheets for the computation of other state(s) tax credit for full-year and part-year residents. Do not file these worksheets with your return. Keep them for your records.

FULL- AND PART-YEAR RESIDENTS: Enter the Total Tax Credit on Form 500, Page 3, Schedule 2, Line 1. Enclose copy of tax return(s) filed with other state(s). Only state income tax is allowable. No other income taxes such as local, city, province, U.S. Possession, foreign countries, etc., qualify for this credit.

FULL-YEAR RESIDENTS

1. Other state(s) adjusted gross income \$ _____
2. Georgia adjusted gross income (Line 10, Form 500) \$ _____
3. Ratio: Line 1 divided by Line 2 _____ %
4. Georgia standard or itemized deductions \$ _____
5. Georgia personal exemption and credit for dependents from Form 500, Page 2, Line 14c \$ _____
6. Total of Line 4 and Line 5 \$ _____
7. Line 6 multiplied by ratio on Line 3 \$ _____
8. Income for computation of credit (Line 1 less Line 7) \$ _____
9. Tax at Georgia rates (use tax table on pages 17 - 19) \$ _____
10. Tax shown on return(s) filed with other state(s) \$ _____
11. Total Tax Credit (Lesser of Line 9 or Line 10) to be claimed on Form 500, Page 3, Schedule 2, Line 1 \$ _____

PART-YEAR RESIDENTS

1. Income earned in another state(s) while a Georgia resident \$ _____
2. Georgia adjusted gross income (Line 8, Column C of Form 500, Schedule 3) \$ _____
3. Ratio: Line 1 divided by Line 2 _____ %
4. Georgia standard or itemized deductions and Georgia personal exemption and credit for dependents (Line 13, Schedule 3, Form 500) \$ _____
5. Line 4 multiplied by ratio on Line 3 \$ _____
6. Income for computation of credit (Line 1 less Line 5) \$ _____
7. Tax at Georgia rates (use tax table on pages 17 - 19) \$ _____
8. Tax shown on return(s) filed with other state(s) for income taxed by Georgia \$ _____
9. Total Tax Credit (Lesser of Line 7 or Line 8) to be claimed on Form 500, Page 3, Schedule 2, Line 1 \$ _____

LOW INCOME CREDIT WORKSHEET

If you are a Georgia resident and your Federal adjusted gross income is less than \$20,000 and you are not claimed or eligible to be claimed as a dependent on another taxpayer's Federal or Georgia individual income tax return, you are entitled to a low income tax credit. You may calculate the credit using the worksheet below and claim it on Form 500, Line 21, or Form 500EZ, Line 6. A part-year resident can only claim the credit if they are a resident at the end of the tax year. **You cannot claim this credit if you are an inmate in a correctional facility.**

Note: A husband and wife who file separate returns for a taxable year for which a joint return could have been filed can only claim the tax credit which would have been allowed had a joint return been filed.

1. Enter your income from Line 8 of Form 500 or Line 1 of Form 500EZ. If zero or less, enter zero. _____
2. Enter the total exemptions. Exemptions are self, spouse and natural or legally adopted children. _____
3. Each taxpayer 65 years of age or older may claim double credit. If you or your spouse are 65 or older, enter 1. If filing jointly and you and your spouse are both 65 or older, enter 2. _____
4. Add numbers on Line 2 and Line 3. Also enter this amount in Block 21a of Form 500 or Block 6a of Form 500EZ. _____
5. Using the Base Credit Table below, find the base credit corresponding to your income. Also enter this amount in Block 21b of Form 500 or Block 6b of Form 500EZ. _____
6. Multiply the amount on Line 4 by the amount on Line 5. This is your low income credit. Also enter this amount on Line 21c of Form 500 or Line 6c of Form 500EZ. _____

BASE CREDIT TABLE:

Federal Adjusted Gross Income	Base Credit
Under \$6,000	\$ 26
\$6,000 but not more than \$7,999	\$ 20
\$8,000 but not more than \$9,999	\$ 14
\$10,000 but not more than \$14,999	\$ 8
\$15,000 but not more than \$19,999	\$ 5

All claims for the low income credit, including claims on amended returns, must be filed on or before the end of the 12th month following the close of the tax year for which the credit may be claimed.

RETIREMENT INCOME EXCLUSION WORKSHEET (Keep for your records)

	TAXPAYER	SPOUSE
(1) Salary and Wages	_____	_____
(2) Other Earned Income(Losses)	_____	_____
(3) Total Earned Income	_____	_____
(4) Maximum Earned Income	\$4,000	\$4,000
(5) Smaller of Line 3 or 4; if zero or less, enter zero	_____	_____
(6) Interest Income	_____	_____
(7) Dividend Income	_____	_____
(8) Alimony	_____	_____
(9) Capital Gains(Losses)	_____	_____
(10) Other Income(Losses)	_____	_____
(11) Taxable IRA Distributions	_____	_____
(12) Taxable Pensions	_____	_____
(13) Rental, Royalty, Partnership, S Corp, etc., Income/Losses	_____	_____
(14) Total of Lines 6 through 13; if zero or less, enter zero	_____	_____
(15) Add Lines 5 and 14	_____	_____
(16) Maximum Allowable Exclusion	\$15,000	\$15,000
(17) Smaller of Line 15 or 16; enter here and on Page 3, Schedule 1, Line 5 A & B of Form 500.	_____	_____

Income or losses should be allocated to the person who owns the item. If any income or loss item is held jointly, the income or loss should be allocated to each taxpayer at fifty percent (50 percent).

Social Security and Railroad Retirement paid by the Railroad Retirement Board, exempted interest, or other income that is not taxable to Georgia should not be included in the retirement income exclusion calculation.

Part-year residents and nonresidents must prorate the retirement exclusion. Compute the retirement exclusion as if the taxpayer was a full-year resident, then prorate the exclusion. It is prorated using the ratio of Georgia source income before the retirement income exclusion (Form 500, Page 4, Line 8, Column C, computed without the retirement exclusion) to the Georgia adjusted gross income before the retirement income exclusion (Form 500, Page 4, Line 8, Column A, computed without the retirement exclusion).

PENALTIES AND INTEREST

A. Penalty for late filing of return - 5 percent of the tax shown on the return for each month or fractional part thereof, up to 25 percent.

B. Penalty for failure to pay tax shown on a return by the due date - 1/2 of 1 percent of the tax due for each month or fractional part thereof, up to 25 percent.

Note: The combined total of the penalty for late filing of return and penalty for failure to pay tax shown on a return cannot exceed 25 percent of the tax shown on a return.

C. A penalty of \$1,000 may be assessed against an individual who files a frivolous return. A frivolous return is one that: (1) does not contain information needed to compute the correct tax or the information shown on the return reflects a substantially incorrect tax; and (2) the conduct described in item (1) was done to delay or impede the administration of Georgia Tax Laws or is based on a position which is frivolous.

D. Penalty for negligent underpayment of the tax - 5 percent of the underpayment.

E. Penalty for fraudulent underpayment - 50 percent of the underpayment.

F. Penalty for failure to file estimated tax - 9 percent per annum for the period of underpayment. Form 500 UET is available upon request for computation of penalty on underestimated installments.

G. Interest is computed at 12 percent per annum on any unpaid tax from the due date until paid. An extension of time for filing or an installment payment agreement does not give relief from late payment penalty or interest.

PENALTIES AND INTEREST MAY BE AVOIDED BY COMPLETING YOUR RETURN ACCURATELY, FILING YOUR RETURN TIMELY, AND PAYING YOUR TAXES IN FULL WHEN DUE.

SCHEDULE FOR ESTIMATING GEORGIA INCOME TAXES

(Figures may be rounded off.)

1. Adjusted gross income expected during the current year	\$ _____
2. Less: Deductions	\$ _____
3. Balance (Line 1 less Line 2)	\$ _____
4. Less: Personal exemption and exemption for dependents	\$ _____
5. Balance (Line 3 less Line 4)	\$ _____
6. Applicable Retirement Exclusion (see worksheet on page 12)	\$ _____
7. Taxable income (Line 5 less Line 6)	\$ _____
8. Tax on amount on Line 7 (See tax rate schedule below)	\$ _____
9. Less: Withholding Tax and other credits	\$ _____
10. Your Estimated Tax (Line 8 less Line 9)	\$ _____
11. Credit from prior year's return to be credited to this estimate	\$ _____
12. Estimated Tax due this year (Line 10 less Line 11)	\$ _____

GEORGIA TAX RATE SCHEDULE

SINGLE

If Georgia taxable income is

Not Over \$ 750	
Over \$ 750	But not over..... \$ 2,250
Over \$ 2,250	But not over..... \$ 3,750
Over \$ 3,750	But not over..... \$ 5,250
Over \$ 5,250	But not over..... \$ 7,000
Over \$ 7,000	

Amount of Tax is

1% of Taxable Income

\$ 7.50	plus 2% of the amount over.....	\$ 750
\$ 37.50	plus 3% of the amount over.....	\$ 2,250
\$ 82.50	plus 4% of the amount over.....	\$ 3,750
\$ 142.50	plus 5% of the amount over.....	\$ 5,250
\$ 230.00	plus 6% of the amount over.....	\$ 7,000

MARRIED FILING JOINT OR HEAD OF HOUSEHOLD

If Georgia taxable income is

Not Over \$ 1,000	
Over \$ 1,000	But not over..... \$ 3,000
Over \$ 3,000	But not over..... \$ 5,000
Over \$ 5,000	But not over..... \$ 7,000
Over \$ 7,000	But not over..... \$ 10,000
Over \$ 10,000	

Amount of Tax is

1% of Taxable Income

\$ 10.00	plus 2% of the amount over	\$ 1,000
\$ 50.00	plus 3% of the amount over	\$ 3,000
\$ 110.00	plus 4% of the amount over	\$ 5,000
\$ 190.00	plus 5% of the amount over	\$ 7,000
\$ 340.00	plus 6% of the amount over	\$ 10,000

MARRIED FILING SEPARATE

If Georgia taxable income is

Not Over \$ 500	
Over \$ 500	But not over..... \$ 1,500
Over \$ 1,500	But not over..... \$ 2,500
Over \$ 2,500	But not over..... \$ 3,500
Over \$ 3,500	But not over..... \$ 5,000
Over \$ 5,000	

Amount of Tax is

1% of Taxable Income

\$ 5.00	plus 2% of the amount over	\$ 500
\$ 25.00	plus 3% of the amount over	\$ 1,500
\$ 55.00	plus 4% of the amount over	\$ 2,500
\$ 95.00	plus 5% of the amount over	\$ 3,500
\$ 170.00	plus 6% of the amount over	\$ 5,000

GEORGIA INCOME TAX TABLE

Line 15, Form 500 or Line 3, Form 500EZ					Line 15, Form 500 or Line 3, Form 500EZ					Line 15, Form 500 or Line 3, Form 500EZ					Line 15, Form 500 or Line 3, Form 500EZ					Line 15, Form 500 or Line 3, Form 500EZ														
At Least		But Less Than		Single	At Least		But Less Than		Single	At Least		But Less Than		Single	At Least		But Less Than		Single	At Least		But Less Than		Single	At Least		But Less Than		Single	At Least		But Less Than		Single
7,000					14,000					21,000					28,000					35,000					42,000									
\$ 0	100	0	0	0	7,000	7,100	233	192	293	14,000	14,100	653	583	713	21,000	21,100	1,073	1,003	1,133	28,000	28,100	1,493	1,423	1,553	35,000	35,100	1,993	1,923	2,053	42,000	42,100	2,493	2,423	2,553
100	200	1	1	1	7,100	7,200	239	197	299	14,100	14,200	659	589	719	21,100	21,200	1,079	1,009	1,139	28,100	28,200	1,499	1,429	1,559	35,100	35,200	2,000	1,930	2,060	42,100	42,200	2,500	2,430	2,560
200	300	2	2	2	7,200	7,300	245	202	305	14,200	14,300	665	595	725	21,200	21,300	1,085	1,015	1,145	28,200	28,300	1,505	1,435	1,565	35,200	35,300	2,007	1,937	2,067	42,200	42,300	2,507	2,437	2,567
300	400	3	3	3	7,300	7,400	251	207	311	14,300	14,400	671	601	731	21,300	21,400	1,091	1,021	1,151	28,300	28,400	1,511	1,441	1,571	35,300	35,400	2,014	1,944	2,074	42,300	42,400	2,514	2,444	2,574
400	500	4	4	4	7,400	7,500	257	212	317	14,400	14,500	677	607	737	21,400	21,500	1,097	1,027	1,157	28,400	28,500	1,517	1,447	1,577	35,400	35,500	2,021	1,951	2,081	42,400	42,500	2,521	2,451	2,581
500	600	5	5	6	7,500	7,600	263	217	323	14,500	14,600	683	613	743	21,500	21,600	1,103	1,033	1,163	28,500	28,600	1,523	1,453	1,583	35,500	35,600	2,028	1,958	2,088	42,500	42,600	2,528	2,458	2,588
600	700	6	6	8	7,600	7,700	269	222	329	14,600	14,700	689	619	749	21,600	21,700	1,109	1,039	1,169	28,600	28,700	1,529	1,459	1,589	35,600	35,700	2,035	1,965	2,095	42,600	42,700	2,535	2,465	2,595
700	800	7	7	10	7,700	7,800	275	227	335	14,700	14,800	695	625	755	21,700	21,800	1,115	1,045	1,175	28,700	28,800	1,535	1,465	1,595	35,700	35,800	2,042	1,972	2,102	42,700	42,800	2,542	2,472	2,602
800	900	8	8	12	7,800	7,900	281	232	341	14,800	14,900	701	631	761	21,800	21,900	1,121	1,051	1,181	28,800	28,900	1,541	1,471	1,601	35,800	35,900	2,049	1,979	2,109	42,800	42,900	2,549	2,479	2,609
900	1,000	9	9	14	7,900	8,000	287	237	347	14,900	15,000	707	637	767	21,900	22,000	1,127	1,057	1,187	28,900	29,000	1,547	1,477	1,607	35,900	36,000	2,056	1,986	2,116	42,900	43,000	2,556	2,486	2,616
8,000					15,000					22,000					29,000					36,000					43,000									
1,000	1,100	13	11	16	8,000	8,100	293	242	353	15,000	15,100	713	643	773	22,000	22,100	1,133	1,063	1,193	29,000	29,100	1,553	1,483	1,613	36,000	36,100	2,063	1,993	2,123	43,000	43,100	2,563	2,493	2,623
1,100	1,200	15	13	18	8,100	8,200	299	247	359	15,100	15,200	719	649	779	22,100	22,200	1,139	1,069	1,199	29,100	29,200	1,559	1,489	1,619	36,100	36,200	2,070	1,999	2,129	43,100	43,200	2,570	2,500	2,630
1,200	1,300	17	15	20	8,200	8,300	305	252	365	15,200	15,300	725	655	785	22,200	22,300	1,145	1,075	1,205	29,200	29,300	1,565	1,495	1,625	36,200	36,300	2,077	2,006	2,136	43,200	43,300	2,577	2,507	2,637
1,300	1,400	19	17	22	8,300	8,400	311	257	371	15,300	15,400	731	661	791	22,300	22,400	1,151	1,081	1,211	29,300	29,400	1,571	1,501	1,631	36,300	36,400	2,084	2,013	2,143	43,300	43,400	2,584	2,514	2,644
1,400	1,500	21	19	24	8,400	8,500	317	262	377	15,400	15,500	737	667	797	22,400	22,500	1,157	1,087	1,217	29,400	29,500	1,577	1,507	1,637	36,400	36,500	2,091	2,020	2,150	43,400	43,500	2,591	2,521	2,651
1,500	1,600	23	21	26	8,500	8,600	323	267	383	15,500	15,600	743	673	803	22,500	22,600	1,163	1,093	1,223	29,500	29,600	1,583	1,513	1,643	36,500	36,600	2,098	2,027	2,157	43,500	43,600	2,598	2,528	2,658
1,600	1,700	25	23	29	8,600	8,700	329	272	389	15,600	15,700	749	679	809	22,600	22,700	1,169	1,099	1,229	29,600	29,700	1,589	1,519	1,649	36,600	36,700	2,105	2,034	2,164	43,600	43,700	2,605	2,535	2,665
1,700	1,800	27	25	32	8,700	8,800	335	277	395	15,700	15,800	755	685	815	22,700	22,800	1,175	1,105	1,235	29,700	29,800	1,595	1,525	1,655	36,700	36,800	2,112	2,041	2,171	43,700	43,800	2,612	2,542	2,672
1,800	1,900	29	27	35	8,800	8,900	341	282	401	15,800	15,900	761	691	821	22,800	22,900	1,181	1,111	1,241	29,800	29,900	1,601	1,531	1,661	36,800	36,900	2,119	2,048	2,178	43,800	43,900	2,619	2,549	2,679
1,900	2,000	31	29	38	8,900	9,000	347	287	407	15,900	16,000	767	697	827	22,900	23,000	1,187	1,117	1,247	29,900	30,000	1,607	1,537	1,667	36,900	37,000	2,126	2,055	2,185	43,900	44,000	2,626	2,556	2,686
9,000					16,000					23,000					30,000					37,000					44,000									
2,000	2,100	33	31	41	9,000	9,100	353	292	413	16,000	16,100	773	703	833	23,000	23,100	1,193	1,123	1,253	30,000	30,100	1,613	1,543	1,673	37,000	37,100	2,133	2,062	2,192	44,000	44,100	2,633	2,563	2,693
2,100	2,200	35	33	44	9,100	9,200	359	297	419	16,100	16,200	779	709	839	23,100	23,200	1,199	1,129	1,259	30,100	30,200	1,619	1,549	1,679	37,100	37,200	2,140	2,069	2,199	44,100	44,200	2,640	2,570	2,700
2,200	2,300	37	35	47	9,200	9,300	365	302	425	16,200	16,300	785	715	845	23,200	23,300	1,205	1,135	1,265	30,200	30,300	1,625	1,555	1,685	37,200	37,300	2,147	2,076	2,205	44,200	44,300	2,647	2,577	2,707
2,300	2,400	40	37	50	9,300	9,400	371	307	431	16,300	16,400	791	721	851	23,300	23,400	1,211	1,141	1,271	30,300	30,400	1,631	1,561	1,691	37,300	37,400	2,154	2,083	2,212	44,300	44,400	2,654	2,584	2,714
2,400	2,500	43	39	53	9,400	9,500	377	312	437	16,400	16,500	797	727	857	23,400	23,500	1,217	1,147	1,277	30,400	30,500	1,637	1,567	1,697	37,400	37,500	2,161	2,090	2,219	44,400	44,500	2,661	2,591	2,721
2,500	2,600	46	41	57	9,500	9,600	383	317	443	16,500	16,600	803	733	863	23,500	23,600	1,223	1,153	1,283	30,500	30,600	1,643	1,573	1,703	37,500	37,600	2,168	2,097	2,226	44,500	44,600	2,668	2,598	2,728
2,600	2,700	49	43	61	9,600	9,700	389	322	449	16,600	16,700	809	739	869	23,600	23,700	1,229	1,159	1,289	30,600	30,700	1,649	1,579	1,709	37,600	37,700	2,175	2,104	2,233	44,600	44,700	2,675	2,605	2,735
2,700	2,800	52	45	65	9,700	9,800	395	327	455	16,700	16,800	815	745	875	23,700	23,800	1,235	1,165	1,295	30,700	30,800	1,655	1,585	1,715	37,700	37,800	2,182	2,111	2,240	44,700	44,800	2,682	2,612	2,742
2,800	2,900	55	47	69	9,800	9,900	401																											

This amount should be placed on Line 16, Form 500 or Line 4, Form 500EZ

GEORGIA INCOME TAX TABLE

Line 15, Form 500 or Line 3, Form 500EZ				Married filing jointly or Head of Household	Married filing Separately	Line 15, Form 500 or Line 3, Form 500EZ				Married filing jointly or Head of Household	Married filing Separately	Line 15, Form 500 or Line 3, Form 500EZ				Married filing jointly or Head of Household	Married filing Separately	Line 15, Form 500 or Line 3, Form 500EZ				Married filing jointly or Head of Household	Married filing Separately						
At Least	But Less Than	Single	At Least			But Less Than	Single	At Least	But Less Than			Single	At Least	But Less Than	Single			At Least	But Less Than	Single	At Least			But Less Than	Single				
35,000						42,000						49,000						56,000						63,000					
35,000	35,100	1,913	1,843	1,973	42,000	42,100	2,333	2,263	2,393	49,000	49,100	2,753	2,683	2,813	56,000	56,100	3,173	3,103	3,233	63,000	63,100	3,593	3,523	3,653					
35,100	35,200	1,919	1,849	1,979	42,100	42,200	2,339	2,269	2,399	49,100	49,200	2,759	2,689	2,819	56,100	56,200	3,179	3,109	3,239	63,100	63,200	3,599	3,529	3,659					
35,200	35,300	1,925	1,855	1,985	42,200	42,300	2,345	2,275	2,405	49,200	49,300	2,765	2,695	2,825	56,200	56,300	3,185	3,115	3,245	63,200	63,300	3,605	3,535	3,665					
35,300	35,400	1,931	1,861	1,991	42,300	42,400	2,351	2,281	2,411	49,300	49,400	2,771	2,701	2,831	56,300	56,400	3,191	3,121	3,251	63,300	63,400	3,611	3,541	3,671					
35,400	35,500	1,937	1,867	1,997	42,400	42,500	2,357	2,287	2,417	49,400	49,500	2,777	2,707	2,837	56,400	56,500	3,197	3,127	3,257	63,400	63,500	3,617	3,547	3,677					
35,500	35,600	1,943	1,873	2,003	42,500	42,600	2,363	2,293	2,423	49,500	49,600	2,783	2,713	2,843	56,500	56,600	3,203	3,133	3,263	63,500	63,600	3,623	3,553	3,683					
35,600	35,700	1,949	1,879	2,009	42,600	42,700	2,369	2,299	2,429	49,600	49,700	2,789	2,719	2,849	56,600	56,700	3,209	3,139	3,269	63,600	63,700	3,629	3,559	3,689					
35,700	35,800	1,955	1,885	2,015	42,700	42,800	2,375	2,305	2,435	49,700	49,800	2,795	2,725	2,855	56,700	56,800	3,215	3,145	3,275	63,700	63,800	3,635	3,565	3,695					
35,800	35,900	1,961	1,891	2,021	42,800	42,900	2,381	2,311	2,441	49,800	49,900	2,801	2,731	2,861	56,800	56,900	3,221	3,151	3,281	63,800	63,900	3,641	3,571	3,701					
35,900	36,000	1,967	1,897	2,027	42,900	43,000	2,387	2,317	2,447	49,900	50,000	2,807	2,737	2,867	56,900	57,000	3,227	3,157	3,287	63,900	64,000	3,647	3,577	3,707					
36,000						43,000						50,000						57,000						64,000					
36,000	36,100	1,973	1,903	2,033	43,000	43,100	2,393	2,323	2,453	50,000	50,100	2,813	2,743	2,873	57,000	57,100	3,233	3,163	3,293	64,000	64,100	3,653	3,583	3,713					
36,100	36,200	1,979	1,909	2,039	43,100	43,200	2,399	2,329	2,459	50,100	50,200	2,819	2,749	2,879	57,100	57,200	3,239	3,169	3,299	64,100	64,200	3,659	3,589	3,719					
36,200	36,300	1,985	1,915	2,045	43,200	43,300	2,405	2,335	2,465	50,200	50,300	2,825	2,755	2,885	57,200	57,300	3,245	3,175	3,305	64,200	64,300	3,665	3,595	3,725					
36,300	36,400	1,991	1,921	2,051	43,300	43,400	2,411	2,341	2,471	50,300	50,400	2,831	2,761	2,891	57,300	57,400	3,251	3,181	3,311	64,300	64,400	3,671	3,601	3,731					
36,400	36,500	1,997	1,927	2,057	43,400	43,500	2,417	2,347	2,477	50,400	50,500	2,837	2,767	2,897	57,400	57,500	3,257	3,187	3,317	64,400	64,500	3,677	3,607	3,737					
36,500	36,600	2,003	1,933	2,063	43,500	43,600	2,423	2,353	2,483	50,500	50,600	2,843	2,773	2,903	57,500	57,600	3,263	3,193	3,323	64,500	64,600	3,683	3,613	3,743					
36,600	36,700	2,009	1,939	2,069	43,600	43,700	2,429	2,359	2,489	50,600	50,700	2,849	2,779	2,909	57,600	57,700	3,269	3,199	3,329	64,600	64,700	3,689	3,619	3,749					
36,700	36,800	2,015	1,945	2,075	43,700	43,800	2,435	2,365	2,495	50,700	50,800	2,855	2,785	2,915	57,700	57,800	3,275	3,205	3,335	64,700	64,800	3,695	3,625	3,755					
36,800	36,900	2,021	1,951	2,081	43,800	43,900	2,441	2,371	2,501	50,800	50,900	2,861	2,791	2,921	57,800	57,900	3,281	3,211	3,341	64,800	64,900	3,701	3,631	3,761					
36,900	37,000	2,027	1,957	2,087	43,900	44,000	2,447	2,377	2,507	50,900	51,000	2,867	2,797	2,927	57,900	58,000	3,287	3,217	3,347	64,900	65,000	3,707	3,637	3,767					
37,000						44,000						51,000						58,000						65,000					
37,000	37,100	2,033	1,963	2,093	44,000	44,100	2,453	2,383	2,513	51,000	51,100	2,873	2,803	2,933	58,000	58,100	3,293	3,223	3,353	65,000	65,100	3,713	3,643	3,773					
37,100	37,200	2,039	1,969	2,099	44,100	44,200	2,459	2,389	2,519	51,100	51,200	2,879	2,809	2,939	58,100	58,200	3,299	3,229	3,359	65,100	65,200	3,719	3,649	3,779					
37,200	37,300	2,045	1,975	2,105	44,200	44,300	2,465	2,395	2,525	51,200	51,300	2,885	2,815	2,945	58,200	58,300	3,305	3,235	3,365	65,200	65,300	3,725	3,655	3,785					
37,300	37,400	2,051	1,981	2,111	44,300	44,400	2,471	2,401	2,531	51,300	51,400	2,891	2,821	2,951	58,300	58,400	3,311	3,241	3,371	65,300	65,400	3,731	3,661	3,791					
37,400	37,500	2,057	1,987	2,117	44,400	44,500	2,477	2,407	2,537	51,400	51,500	2,897	2,827	2,957	58,400	58,500	3,317	3,247	3,377	65,400	65,500	3,737	3,667	3,797					
37,500	37,600	2,063	1,993	2,123	44,500	44,600	2,483	2,413	2,543	51,500	51,600	2,903	2,833	2,963	58,500	58,600	3,323	3,253	3,383	65,500	65,600	3,743	3,673	3,803					
37,600	37,700	2,069	1,999	2,129	44,600	44,700	2,489	2,419	2,549	51,600	51,700	2,909	2,839	2,969	58,600	58,700	3,329	3,259	3,389	65,600	65,700	3,749	3,679	3,809					
37,700	37,800	2,075	2,005	2,135	44,700	44,800	2,495	2,425	2,555	51,700	51,800	2,915	2,845	2,975	58,700	58,800	3,335	3,265	3,395	65,700	65,800	3,755	3,685	3,815					
37,800	37,900	2,081	2,011	2,141	44,800	44,900	2,501	2,431	2,561	51,800	51,900	2,921	2,851	2,981	58,800	58,900	3,341	3,271	3,401	65,800	65,900	3,761	3,691	3,821					
37,900	38,000	2,087	2,017	2,147	44,900	45,000	2,507	2,437	2,567	51,900	52,000	2,927	2,857	2,987	58,900	59,000	3,347	3,277	3,407	65,900	66,000	3,767	3,697	3,827					
38,000						45,000						52,000						59,000						66,000					
38,000	38,100	2,093	2,023	2,153	45,000	45,100	2,513	2,443	2,573	52,000	52,100	2,933	2,863	2,993	59,000	59,100	3,353	3,283	3,413	66,000	66,100	3,773	3,703	3,833					
38,100	38,200	2,099	2,029	2,159	45,100	45,200	2,519	2,449	2,579	52,100	52,200	2,939	2,869	2,999	59,100	59,200	3,359	3,289	3,419	66,100	66,200	3,779	3,709	3,839					
38,200	38,300	2,105	2,035	2,165	45,200	45,300	2,525	2,455	2,585	52,200	52,300	2,945	2,875	3,005	59,200	59,300	3,365	3,295	3,425	66,200	66,300	3,785	3,715	3,845					
38,300	38,400	2,111	2,041	2,171	45,300	45,400	2,531	2,461	2,591	52,300	52,400	2,951	2,881	3,011	59,300	59,400	3,371	3,301	3,431	66,300	66,400	3,791	3,721	3,851					
38,400	38,500	2,117	2,047	2,177	45,400	45,500	2,537	2,467	2,597	52,400	52,500	2,957	2,887	3,017	59,400	59,500	3,377	3,307	3,437	66,400	66,500	3,797	3,727	3,857					
38,500	38,600	2,123	2,053	2,183	45,500	45,600	2,543	2,473	2,603	52,500	52,600	2,963	2,893	3,023	59,500	59,600	3,383	3,313	3,443	66,500	66,600	3,803	3,733	3,863					
38,600	38,700	2,129	2,059	2,189	45,6																								

GEORGIA INCOME TAX TABLE

Line 15, Form 500 or Line 3, Form 500EZ					Line 15, Form 500 or Line 3, Form 500EZ					Line 15, Form 500 or Line 3, Form 500EZ					Line 15, Form 500 or Line 3, Form 500EZ					Line 15, Form 500 or Line 3, Form 500EZ																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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TAX CREDITS

Disabled Person Home Purchase or Retrofit Credit, Georgia National Guard/Air National Guard Credit, Qualified Caregiving Expense Credit, Driver Education Credit, Rural Physician Credit, and Disaster Assistance Credit. See Form IND-CR on pages 20 - 22 for information.

Low Emission Vehicle Credit. This is a credit, of the lesser of 10 percent of the cost of the vehicle or \$2,500, for the purchase or lease of a new low emission vehicle. There is also a credit for the conversion of a standard vehicle to a low emission vehicle which is equal to 10 percent of the cost of conversion, not to exceed \$2,500 per converted vehicle. **Certification approved by the Environmental Protection Division of the Georgia Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable.** A low emission vehicle is defined as an "alternative fuel" vehicle and does not include any gasoline powered vehicles (i.e., hybrids). A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. § 48-7-40.16.

The following Pass-Through Credits from Ownership of Sole Proprietorship, S Corp, LLC, LLP or Partnership Interest will be reflected on the Individual's K-1 and must be listed on Form 500, Schedule 2, lines 5 through 9. The entity information must be provided and the proper credit type code as listed below:

<u>Code</u>	<u>Name of Credit</u>
101	Employer's Credit for Basic Skills Education
102	Employer's Credit for Approved Employee Retraining
103	Employer's Jobs Tax Credit
104	Employer's Credit for Purchasing Child Care Property
105	Employer's Credit for Providing or Sponsoring Child Care for Employees
106	Manufacturer's Investment Tax Credit
107	Optional Investment Tax Credit
108	Qualified Transportation Credit
109	Low Income Housing Credit
110	Diesel Particulate Emission Reduction Technology Equipment
111	Business Enterprise Vehicle Credit
112	Research Tax Credit
113	Small Business Growth Tax Credit
114	Headquarters Tax Credit
115	Port Activity Tax Credit
116	Bank Tax Credit
117	Low Emission Vehicle Credit
118	Zero Emission Vehicle Credit
119	Cigarette Export Credit
120	New Manufacturing Facilities Job Credit
121	Electric Vehicle Charger Credit
122	New Manufacturing Facilities Property Credit
123	Historic Rehabilitation Credit
124	Film Tax Credit

NOTE: For more details about tax credits and the latest forms, visit our website at:
http://www.etax.dor.ga.gov/inctax/info_taxcredits.shtml.

HOW TO ORDER INCOME TAX FORMS

BY INTERNET: Current and prior year forms can be downloaded from our web site at www.dor.ga.gov. Payment vouchers on the web include a scan line that ensures accurate and timely posting to your account.

BY MAIL: Indicate the specific form(s) and quantity desired. Include your name and mailing address. Mail your request to: Georgia Income Tax Forms, P.O. Box 29369, Atlanta, Georgia 30359.

Note: Some tax forms are available in limited quantities. Delivery may take 3 to 4 weeks.

BY E-MAIL: Submit the number and type of form(s) needed with your mailing address to taxforms@dor.ga.gov.

BY PHONE OR FAX: Tax form requests can be made 24 hours a day by calling (404) 417-6011. To receive a complete Fax-On-Demand index document showing all forms available via fax, select Option 1. To order instant fax delivery of the forms listed below, select Option 2, then enter the item number. If you do not receive your fax order within thirty (30) minutes of your initial call, **please reorder**. To order forms using voice mail, select Option 3.

Item	Form	Description
110	500X	Amended Income Tax Return
120	600	Georgia Corporation Tax Return
121	600S	Georgia S Corporation Tax Return
150	700	Partnership Income Tax Return
160	500ES	Georgia Individual Estimated Tax Form (Quarterly)
506	IND-CR	Georgia Individual Credit Form
518	525-TV	Payment Voucher

You may order up to sixteen (16) different forms per phone call.

GEORGIA USE TAX REPORTING FORM INSTRUCTIONS

Georgia Use Tax is due on tangible personal property purchased through the Internet, mail order, or from an out-of-state company when Georgia sales tax is not collected by the Seller. The Use Tax rate is the same as the Sales Tax rate imposed in the Georgia county where the item is delivered. **If you need additional information or assistance, call the Rome Regional Office at (706) 295-6061 or 1-888-229-8497.**

NOTE: You cannot enter Use Tax on Form 500 or Form 500 EZ.

Write your name or the business name, address, city, state, zip code, and county of use.

1. Enter the total taxable purchases including shipping/handling and any other service charges. Do not include another state's taxes paid to the seller.
2. Multiply the taxable amount paid for non-food items by the Sales Tax rate in the county of use.
3. Multiply the taxable amount paid for food items by the local county sales tax rate (1% - 3%). Do not include Homestead Tax in DeKalb and Rockdale counties or Local Option Tax in Taliaferro and Webster counties. See our website at www.dor.ga.gov/salestax/index.shtml to obtain county sales tax rates and for additional information.
4. Subtract the amount of Sales Tax paid in another state from the total of Lines 1 and 2, if applicable. Enter the tax due. Sign and date the form. Mail the completed form with payment to: Georgia Department of Revenue, Rome Regional Office, 1401 Dean Street, Suite E, Rome, GA 30161-6494. Make your check payable to Georgia Department of Revenue. Do not send cash.

----- CUT ALONG THIS LINE. MAIL BOTTOM PORTION ONLY. -----

ST-3USE - 10-01

GEORGIA USE TAX REPORTING FORM

YOUR NAME OR BUSINESS NAME				
ADDRESS				
CITY	STATE	ZIP CODE	COUNTY OF USE	
			AMOUNT	TAX RATE
			TOTAL	
1. TOTAL TAXABLE NON-FOOD PURCHASES		\$	<input checked="" type="checkbox"/>	\$
2. TOTAL TAXABLE FOOD PURCHASES (Local County tax only)		\$	<input checked="" type="checkbox"/>	\$
3. TAXES PAID IN OTHER STATES (if applicable)		\$		\$
4. AMOUNT DUE WITH RETURN				\$
DATE _____		SIGNATURE _____		

ACCEPTANCE OF CREDIT CARD PAYMENTS

The Georgia Department of Revenue and Official Payments Corporation (OPC) have partnered to allow taxpayers to pay individual income tax liabilities with credit cards. Taxpayers can make payments using OPC's secure website at www.officialpayments.com or by calling OPC toll-free at 1-800-2PAY-TAX. When calling, enter Jurisdiction Code 2000.

Credit cards are only accepted as payment for current year individual income tax due on original Forms 500, 500EZ, 500ES, and liabilities presented to taxpayers on Georgia Department of Revenue assessment notices, including installment payment agreements. Credit cards are not accepted at this time for payments associated with extensions or amended returns.

For more information, visit our website at www.dor.ga.gov or OPC's website at www.officialpayments.com.

FILE ELECTRONICALLY FOR FREE!

Last year more than 1.8 million taxpayers filed returns using an electronic filing method. In an effort to further promote electronic filing, the Department of Revenue has entered into an alliance with certain software companies to offer free on-line filing services to Georgia taxpayers. Under this agreement, qualified taxpayers can file their Georgia individual income tax returns for free using approved software. Visit our website at www.dor.ga.gov for more information.

If you choose to file a paper return, we highly recommend that you use a return with a two-dimensional barcode. See below for additional information.

TWO-DIMENSIONAL BARCODE RETURNS

Beginning with tax year 2001, the Department of Revenue began a method of processing individual income tax returns containing a two-dimensional (2D) barcode. This method was implemented to assist with processing your return in a more accurate and timely manner. A 2D barcode is similar to the one located on the back of your Georgia driver's license. Information from your return is captured by a machine-readable barcode rather than manually entered, which reduces the possibility of processing errors. The 2D barcode is only visible after your return has been printed.

During the past four years over two million 2D barcode returns were received and processed. This represents almost half of all paper returns processed. This increase is partially due to the fact that returns with a 2D barcode process faster than regular paper returns and without any data entry errors.

Certain tax software companies include the Georgia 2D barcode tax return in their software. Below is the list of companies approved by the Department of Revenue to produce the Georgia Form 500 Individual Income Tax Return with a 2D barcode.

CCH (Pro Systems)- www.prosystemfx.com	Petz Enterprise (Crosslink)- www.petzent.com
Creative Solutions (UltraTax)- www.creativesolutions.com	Second Story (TaxACT)- www.taxact.com
Drake- www.drakesoftware.com	STF(SuperForm)- www.stf.com
H&R Block- www.hrblock.com	Taxworks (Laser Systems)- www.taxworks.com
Intuit (Turbo Tax)- www.turbotax.com	RCS (Taxslayer) www.taxslayerpro.com

NOTE: The Department of Revenue encourages electronic filing and the use of 2D barcode returns; however, we neither support nor recommend any software company.

MAILING ADDRESS

2D barcode returns are mailed to a different address than are regular paper returns. If your software program produces a 2D barcode return, mail your return to:

Refunds

Georgia Department of Revenue
Processing Center
P.O. Box 105597
Atlanta, GA 30348-5597

Payments (mail with 525-TV)

Georgia Department of Revenue
Processing Center
P.O. Box 105613
Atlanta, GA 30348-5613

Failure to mail your return to the correct address may cause processing delays.

A 2D BARCODE 500 Individual Tax Form will have the following image in the upper-right corner of the return:

(The size of the 2D barcode may vary)



TAXPAYER ASSISTANCE

Department of Revenue Information

For general information or taxpayer assistance, you may telephone Taxpayer Information Programs and Services (TIPS) at 404-417-4477 or 1-877-602-8477. *Visite www.dor.ga.gov para ver la versión española de este librete.*

For most individual income taxpayers, this instruction booklet is the only material needed to complete the 2005 Georgia income tax return. If you need assistance completing your return, call or visit one of the Revenue Offices listed below.

Albany Regional Office
1105-D W. Broad Ave.
Albany, GA 31707
229-430-4241

Columbus Regional Office
1501 13th Street
Suite A
Columbus, GA 31901
706-649-7451

Macon Regional Office
630 North Avenue
Suite B
Macon, GA 31211-1493
478-751-6015

Savannah Regional Office
6606 Abercorn Street
Room 220
Savannah, GA 31405
912-356-2140

Athens Regional Office
190 Ben Burton Circle
Bogart, GA 30622
706-542-6058

Douglas Regional Office
1214 N. Peterson Ave.
Suite I
Douglas, GA 31533
912-389-4094

North East Metro Office
1800 Century Blvd
Atlanta, GA 30345
404-417-6605

South Atlanta Metro Office
4245 International Pkwy
Suite B
Hapeville, GA 30354-3919
404-968-0480

Augusta Regional Office
130 Davis Road
Martinez, GA 30907
706-651-7600

Lithia Springs Regional Office
351 Thornton Road
Suite 101
Lithia Springs, GA 30122
770-732-5812

Rome Regional Office
1401 Dean Street
Suite E
Rome, GA 30161-6494
706-295-6667

DEPARTMENT OF REVENUE WEBSITE

www.dor.ga.gov

Visit our website to download various Georgia Department of Revenue forms, view a list of the mailing addresses for commonly used forms, and read our Frequently Asked Questions.

Senior citizens may call AARP Tax-Aide toll-free at 1-888-AARP NOW (1-888-227-7669) for the location of tax assistance in filing both Federal and Georgia income tax forms from February 1 to April 15.

If you have a disability and need additional assistance, please contact one of the Revenue Offices listed above, or call 404-417-4477 or 1-877-602-8477.

TELEPHONE SERVICE FOR DEAF AND HARD OF HEARING PERSONS (TDD)

Deaf and hard of hearing taxpayers who have access to TDD equipment can call 404-417-4302 for assistance.

REFUND INQUIRIES

The earlier you file your tax return, the faster you will receive your refund. Before you inquire about the status of your refund, please allow up to 8 weeks if you filed prior to April 1st and 12 weeks if you filed on or after April 1st. If you want to inquire about the status of your refund and you live in the metro Atlanta dialing area, call 404-656-6286. If you live in Georgia, but outside of the metro Atlanta dialing area, call 1-800-338-2389. Calls to the 800 number from the metro Atlanta dialing area cannot be completed. If you live outside Georgia, call 1-877-602-8477. For other problems concerning your refund, call the appropriate telephone number above or the Taxpayer Services Division at 404-417-4300.

NOTE: A refund check must be cashed within 180 days from the date on the check. A refund check can only be reissued if the tax year is within the statute of limitations for refund claims. See page 5 for additional claim for refund information.

PROBLEM RESOLUTION

If you have an income tax problem, contact Taxpayer Assistance for help. For information concerning a notice or letter from the Department of Revenue, call the telephone number listed on the document. For additional assistance, contact the Taxpayer Services Division at 404-417-4300 or the Taxpayer Advocate's Office at 404-417-2100 or via e-mail to taxadv@dor.ga.gov.

Form 500 (Fill-in Form)

Form 500 EZ (fill-in form)

500 ES (Fill-in Form)

525 TV (Fill-in Form)

IT 560 (Fill-in Form)

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Addition tax forms are available at: www.dor.ga.gov

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